

U.S. DEPARTMENT OF  
HEALTH AND HUMAN SERVICES  
PUBLIC HEALTH SERVICE  
HEALTH SERVICES ADMINISTRATION

HEALTH EDUCATION ASSISTANCE LOAN PROGRAM  
(42 U.S.C. 294-294i)

BATCH NUMBER

SOCIAL SECURITY NUMBER

Name Alan M. Patterson, Jr.  
Street 1207 West Gate Parkway  
City Dothan  
State AL Zip 36303

All right, title and interest of the undersigned is hereby assigned (without warranty, except that the note qualifies for insurance) to the United States of America.

**PROMISSORY NOTE (VARIABLE RATE).**  
When you receive the loan disbursement check for endorsement you will be provided copies of the amount financed (the loan amount less the insurance premium), the pre-paid finance charge (the insurance premium), and the annual percentage rate (APR) for the initial quarter. You are not contractually obligated on the loan if the disbursement check is not endorsed.

**PROMISE TO PAY**

By Stephanie Barks 4-4-88  
Claims Analyst Alan M. Patterson, Jr. (Name of borrower), the borrower, promise to pay to First American Bank, N.A., Washington, D.C. (the lender) or the subsequent holder of this note, the principal sum of \$8,227 to the extent it is advanced to me, to pay principal and interest on the principal sum as set out below and to pay authorized late charges, all reasonable attorney fees, and other costs and charges that are permitted by federal regulations and are necessary for the collection of any amount not paid when due.

**INTEREST**

1. Beginning on the day the loan is disbursed and ending when the repayment period commences, interest shall accrue. Payment of the interest accruing before the beginning of the repayment period may be postponed until the date upon which repayment of principal is required to begin or to resume. Interest which has accrued and is not paid may be added to the principal sum of this Note not more frequently than every six (6) months. Beginning when the repayment period commences, interest shall accrue and be paid as set forth in the Repayment Schedule which the lender shall establish and provide to me.
2. Interest shall accrue and be payable at an ANNUAL PERCENTAGE RATE which is equal to a variable rate calculated by the Secretary of the Department of Health and Human Services for each calendar quarter and computed by determining the average of the bond equivalent rates for the ninety-one day U.S. Treasury Bills auctioned during the preceding quarter, plus 3 percent, rounding this figure up to the nearest 1/8 of 1 percent.
3. Any change in the ANNUAL PERCENTAGE RATE will affect the payment amounts, the number of payments, or the amount due at maturity.

**INSURANCE PREMIUM**

I agree to pay the lender, in addition to interest and principal due, an amount equal to the premium that the lender is required to pay to the Secretary in order to provide insurance coverage on this Note. Payment of an insurance premium calculated in accordance with instructions issued by the Secretary shall be due and payable immediately and may be taken by the lender from the loan proceeds.

**REPAYMENT**

1. Repayment shall be made in periodic installments over a repayment period which starts the first day of the tenth month after the month in which
  - (A) I cease to be a full-time student at a HEAL school
  - (B) I cease to be a participant in an accredited internship or residency program of not more than four years in duration, 1/ or
  - (C) I complete the fourth year of an accredited internship or residency program of more than four years in duration, 1/ or
  - (D) I cease to be a participant in a fellowship training program not in excess of two years or a participant in a full-time educational activity not in excess of two years which
- 1/ Except that, if I received a HEAL loan before October 22, 1985, and I become an intern or a resident in an accredited program before the first day of the tenth month after I cease to be a full-time student at a HEAL school, then the repayment period begins on the first day of the tenth month after I cease to be an intern or a resident.

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2. The repayment period shall not be less than 10 years nor more than 25 years. Any period described under DEFERMENT shall not be included in determining the 10 or 25 year periods. In no event, however, shall the repayment period extend to a date that is more than 33 years from the date on which I signed this Promissory Note.

3. The terms and conditions of repayment shall be set forth in a separate Repayment Schedule which the lender shall establish and shall provide me prior to the beginning of the repayment period.

4. Unless I agree otherwise, I shall make a minimum annual repayment of an amount equal to the annual interest on the unpaid principal balance; and if I have other outstanding HEAL loans, the sum of all payments to all holders on my HEAL loans shall not be less than an amount equal to the consolidated interest on the unpaid principal balances.

#### PREPAYMENT

If I pay off early, I will not have to pay a penalty. If I pay off early, I will not be entitled to a refund of part of the finance charge.

#### DEFERMENT

Periodic installments of principal and interest need not be paid, but interest shall accrue:

1. When I am carrying a full-time course of study at a HEAL school or at an institution of higher education eligible to participate in the Guaranteed Student Loan Program.

2. When I am participating in a fellowship training program or full-time educational activity for not in excess of two years as described in paragraph 1. under repayment above.

3. Not in excess of three years for each of the following when I am:

- A. a member of the Armed Forces of the United States;
- B. in service as a volunteer under the Peace Corps Act;
- C. in service as a full-time volunteer under Title I of the Domestic Volunteer Service Act of 1973; and
- D. a member of the National Health Service Corps.

4. Not in excess of four years when I am participating in an approved internship or residency program.

#### LATE CHARGE

If a payment is late, I may be charged five cents for each dollar of the installment payment due.

#### DEATH/DISABILITY

If I die or become totally and permanently disabled, my unpaid indebtedness on the Note shall be cancelled in accordance with applicable Federal regulations.

#### DEFAULT

In the event of my default on this loan, the entire unpaid loan including interest due and accrued shall, at the option of the holder of this Note, become immediately due and payable.

#### GENERAL

The terms of this Note shall be construed according to the Law (42 U.S.C. 294-2941), as amended, and the Federal regulation (42 CFR Part 60) governing the administration of the Health Education Assistance Loan (HEAL) Program, copies of which are on file with the holder of this Note.

I shall promptly notify the lender or any other holder of this Note in writing of any change of name, address, school enrollment status or any other event described in paragraph 3 of the Borrower's Responsibilities as attached to this Note.

I agree that all proceeds from this loan will be used solely for tuition and other reasonable education expenses, including room and board, fees, books, supplies and equipment, laboratory expenses, transportation and commuting costs, personal expenses, the HEAL insurance premium, and interest on HEAL loans. I further agree that the check for the proceeds of this loan shall be made payable jointly to me and the eligible institution in which I am enrolled.

By my signature below I CERTIFY that I have read my rights and responsibilities and discussed them with the lender.

*Alan M. Patterson*  
SIGNATURE OF BORROWER

1207 West Gate Parkway

ADDRESS

Dothan (permanent)

AL 36303

CITY

STATE

ZIP

2-4-86

DATE

2740 Birchwood Way, Marietta, GA 30060 (temporary)

NOTICE: This Note shall be executed without security and without endorsement, except that, if the borrower is a minor and this Note would not, under applicable State law, create a binding obligation, the lender may require an endorser also to sign this Note. The lender shall supply a copy of this Note to the borrower.